

Hanson Westhouse Holdings plc
Interim Financial Statements
Six Month Period Ended 30 June 2009



Hanson Westhouse Holdings plc Interim Results

Hanson Westhouse Holdings plc (the "Company"), the integrated corporate finance and broking house focusing on small and mid-cap companies, today announces its maiden interim results for the six months ended 30 June 2009.

In accordance with International Financial Reporting Standards these unaudited results comprise those of Hanson Westhouse Group Limited for the six month period ended 30 June 2009 together with those of Hanson Westhouse Holdings plc (previously SovGEM Limited) from 15 June 2009 to 30 June 2009.

Highlights

- Reverse takeover of SovGEM and integration of businesses successfully completed
- Strong uplift in value of investments
- Well capitalised to continue growth of the business
- Regulatory capital now six times covered
- Significant improvement in fees and commissions since period end with consequential benefit to cash position
- Expansion plans in place and new hires to boost future growth

This is our first set of results after the reverse takeover on 15 June 2009, only a few days before the period end.

We are pleased that the reverse takeover of SovGEM Limited, which received the unqualified support of shareholders and staff, has been completed smoothly and successfully. The two businesses have been fully integrated as planned and we can look forward, with a strong capital base, to expanding our corporate advisory and broking activities as markets recover.

Trading conditions in the first half of the year, particularly on the AIM market, continued to be extremely difficult and this was reflected in the disappointing revenue for the period. However, the recent general market recovery has resulted in a significant up-turn in activity in both broking and corporate advisory work.

Despite these difficult conditions our portfolio of investments (including financial instruments) has seen a pleasing recovery in value. Our balance sheet at 30 June 2009 shows £4.2 million of value and in addition to this we have realised £260,000 in the period under review. From December 2008 to date this portfolio, including realised investments, has seen an increase of 34 per cent in value.

Current trading and business outlook

Since the period end we have seen a marked improvement and we have generated more trading revenue in the third quarter than in the whole of the first half. We have also significantly strengthened our cash position. Although it is difficult to predict the outcome for the remainder of the year, we are seeing an encouraging pipeline of business developing.

The Hon Robert Hanson

Mr Hanson, who has been enormously supportive, first as non-executive Chairman of Hanson Westhouse (the predecessor company) and lately as a member of the Advisory Panel, has informed the Board that he has decided to

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pursue other family business interests. As a consequence Mr Hanson has resigned from the Advisory Panel and he goes with our best wishes.

Mr Hanson remains supportive of the Company and his shares (which amount to 19.62 per cent of the issued share capital) are bound by the Orderly Market Agreement entered into at the time of the Company's admission to AIM in June.

It is proposed that the name of the Company will be changed to Westhouse Holdings plc and a notice of EGM will shortly be sent to shareholders to effect this change.

Staff

The Board appreciates the staff's support throughout what has been an extraordinary time in the financial markets. The Board wishes to reiterate that the business depends on the skill, experience and efforts of its dedicated and hard working staff.

We are continuing to strengthen our broking, advisory and research teams. We have already made a number of appointments and anticipate announcing further appointments in due course.

Commenting on the results, William Staple, Chief Executive said, "In the last 18 months we have seen very challenging trading conditions and these results reflect this. Despite these conditions, we have successfully weathered the storm and are now seeing a more positive trading climate. By combining the Hanson Westhouse business with SovGEM we have created a strong base which will enable us to take full advantage of the upturn we are beginning to see."

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Consolidated income statement

Six month period ended 30 June 2009

	Note	Unaudited Six months to 30 June 2009 £	Unaudited Six months to 30 June 2008 £	Unaudited Year ended 31 December 2008 £
Revenue from continuing operations	4	1,490,834	2,763,459	4,478,460
Operating expenses		(2,260,012)	(2,681,470)	(4,925,044)
Operating profit/(loss)		(769,178)	81,989	(446,584)
Gain on acquisition		1,241,269	-	-
Gains/(losses) in fair value of assets held at fair value through profit or loss		4,072	(78,123)	(237,110)
Gains/(losses) on investments		32,049	4,028	(94,466)
Interest receivable		1,928	43,704	68,933
Interest payable		(10)	-	-
Profit / (losses) before tax		510,130	51,598	(709,226)
Tax expense		-	-	96,123
Net result for the period		510,130	51,598	(613,103)
Total and continuing				
Basic earnings per share	2	0.05 p	0.05 p	(0.61) p
Diluted earnings per share		0.05 p	0.05 p	(0.61) p

All activities relate to continuing operations.

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Consolidated statement of comprehensive income

	Unaudited Six months to 30 June 2009 £	Unaudited Six months to 30 June 2008 £	Unaudited Year ended 31 December 2008 £
Profit / (loss) for the period	510,130	51,598	(613,103)
Other comprehensive income:			
Change in value of available for sale financial instruments	139,303	139,680	60,625
Total comprehensive income/(loss) for the period	649,433	191,278	(552,478)

All activities relate to continuing operations.

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Consolidated statement of financial position

As at 30 June 2009

		Unaudited 30 June 2009 £	Unaudited 30 June 2008 £	Unaudited 31 December 2008 £
Assets				
Non current assets				
Goodwill	1.5	306,750	306,750	306,750
Property plant and equipment		176,366	212,990	189,706
Total non current assets		<u>483,116</u>	<u>519,740</u>	<u>496,456</u>
Current assets				
Investments		3,689,799	831,193	515,465
Derivative financial instruments		548,757	158,990	86,868
Trade and other receivables		607,398	255,499	246,523
Prepaid expenses		440,194	441,313	480,635
Cash and cash equivalents	1.12	517,293	1,370,270	609,833
Total current assets		<u>5,803,441</u>	<u>3,057,265</u>	<u>1,939,324</u>
Total assets		<u>6,286,557</u>	<u>3,577,005</u>	<u>2,435,780</u>
Equity				
Share capital	5	572	100,002	108,602
Share premium account		3,652,376	757,872	1,007,272
Merger reserve		2,025,708	-	-
Perpetual subordinated loan	1.3	375,000	500,000	500,000
Reserve in respect of share based payments		312,168	242,718	270,677
Revaluation reserve		288,028	329,980	148,726
Reverse acquisition reserve	1.2	(1,686,801)	-	-
Profit and loss account		455,382	616,432	(54,749)
Total equity		<u>5,422,433</u>	<u>2,547,004</u>	<u>1,980,528</u>
Current Liabilities				
Accounts payable and accrued liabilities		461,152	657,474	244,420
Short term provisions		402,972	372,527	210,832
Total current liabilities		<u>864,124</u>	<u>1,030,001</u>	<u>455,252</u>
Total liabilities		<u>864,124</u>	<u>1,030,001</u>	<u>455,252</u>
Total equity and liabilities		<u>6,286,557</u>	<u>3,577,005</u>	<u>2,435,780</u>

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Consolidated statement of cash flows

Six Month Period Ended 30 June 2009

	Unaudited Six months to 30 June 2009 £	Unaudited Six months to 30 June 2008 £	Unaudited Year ended 31 December 2008 £
Cash flows from operating activities			
Profit after tax	510,130	51,598	(613,103)
Adjustments for:			
Revenue relating to derivative financial instruments	-	78,123	(86,865)
(Gains) / losses in fair value assets held at fair value	(4,072)	-	237,110
(Gains) / losses on investments	(32,049)	(4,028)	94,466
Gain on acquisition	(1,241,269)	-	-
Interest receivable	(1,928)	(43,704)	(68,933)
Interest expense	10	-	-
Depreciation	24,453	27,586	57,186
Share based expense	49,736	105,929	134,083
Taxation expense recognised in profit or loss	-	-	(96,123)
Decrease / (increase) in receivables	(256,533)	(41,503)	64,797
(Decrease) / increase in payables	(57,761)	(452,169)	(809,503)
Net cash flows from operating activities	(1,009,283)	(278,168)	(1,086,885)
Investing activities			
Purchase of equipment	(11,113)	(19,769)	(26,087)
Proceeds from sale of investments	260,095	112,821	187,127
Purchase of investments	(14,042)	(6,500)	(45,020)
Interest received	1,928	43,704	68,933
Net cash flows used in investing activities	236,868	130,256	184,953
Cash flows from financing activities			
Ordinary share capital	825,008	-	236,000
Issue of shares	22,000	-	-
Transaction costs in connection with share issue	(40,724)	-	-
Net repayment of perpetual subordinated loan	(125,000)	-	-
Cash acquired from acquisitions	1,885	-	-
Interest paid	(10)	-	-
Interest on perpetual subordinated loan	-	(43,612)	(43,612)
Net cash flows from financing activities	683,159	(43,612)	192,388
Taxes paid	(3,284)	-	(242,417)
Net decrease in cash and cash equivalents	(92,540)	(191,524)	(951,961)
Cash and cash equivalents at beginning of period	609,833	1,561,794	1,561,794
Cash and cash equivalents at end of period	1.12 517,293	1,370,270	609,833

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Consolidated statement of changes in equity

	Share capital	Other reserves	Merger Reserve	Perpetual subordinated loan	Reverse acquisition reserve	Revaluation reserve	Retained earnings	Total equity
	£	£	£	£	£	£	£	£
Balance at 1 January 2009	108,602	1,277,949	-	500,000	-	148,725	(54,748)	1,980,528
Reverse acquisition	(108,602)	(1,007,272)	2,025,708	-	(1,686,801)	-	-	(776,967)
Issued share capital	572	3,652,376	-	-	-	-	-	3,652,948
Perpetual subordinated loan	-	-	-	(125,000)	-	-	-	(125,000)
Transactions with owners	572	3,923,053	2,025,707	375,000	(1,686,801)	148,725	(54,748)	4,731,509
Profit for the period	-	-	-	-	-	-	510,130	510,130
Share option expense	-	41,491	-	-	-	-	-	41,491
Revaluation reserve	-	-	-	-	-	139,303	-	139,303
Total comprehensive income for the period	-	41,491	-	-	-	139,303	510,130	690,924
Balance at 30 June 2009	572	3,964,544	2,025,707	375,000	(1,686,801)	288,028	455,382	5,422,433

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Consolidated statement of changes in equity: continued

	Share capital	Other reserves	Perpetual subordinated loan	Revaluation reserve	Retained earnings	Total equity	Minority interest	Net assets
	£	£	£	£	£	£	£	£
Balance at 1 January 2008	100,002	909,936	500,000	88,100	581,294	2,179,332	(15,368)	2,163,964
Issued share capital	8,600	249,400	-	-	-	258,000	-	258,000
Transactions with owners	108,602	1,159,336	500,000	88,100	581,294	2,437,332	(15,368)	2,421,964
Loss for the year	-	-	-	-	(613,103)	(613,103)	15,368	(597,735)
Available for sale financial assets	-	-	-	60,626	-	60,626	-	60,626
Interest on perpetual subordinated loan	-	-	-	-	(22,940)	(22,940)	-	(22,940)
Share option expense	-	118,613	-	-	-	118,613	-	118,613
Total comprehensive income for the period	-	118,613	-	60,626	(636,043)	(456,804)	15,368	(441,436)
Balance at 31 December 2008	108,602	1,277,949	500,000	148,726	(54,749)	1,980,528	-	1,980,528

Other reserves

These relate to the share premium on the acquisition of Hanson Westhouse Ltd (which was acquired on 22 May 2007 in exchange for the issue of shares by the Company) and the aggregate of the share option expenses arising on the issue of share options over shares in the Company to employees of Hanson Westhouse Ltd. The acquisition of Hanson Westhouse Ltd was a result of a share exchange re-organisation and has been accounted for as a pooling of interests.

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Consolidated statement of changes in equity: continued

	Share capital	Other reserves	Perpetual subordinated loan	Revaluation reserve	Retained earnings	Total equity	Minority interest	Net assets
	£	£	£	£	£	£	£	£
Balance at 1 January 2008	100,002	909,936	500,000	88,100	581,294	2,179,332	(15,368)	2,163,964
Issued share capital	-	-	-	-	-	-	-	-
Transactions with owners	100,002	909,936	500,000	88,100	581,294	2,179,332	(15,368)	2,163,964
Profit for the period	-	-	-	-	51,598	51,598	15,368	66,966
Available for sale financial assets	-	-	-	241,880	-	241,880	-	241,880
Interest on Perpetual subordinated loan	-	-	-	-	(16,460)	(16,460)	-	(16,460)
Share option expense	-	90,654	-	-	-	90,654	-	90,654
Total comprehensive income for the period	-	90,654	-	241,880	35,138	367,672	15,368	383,040
Balance at 30 June 2008	100,002	1,000,590	500,000	329,980	616,432	2,547,004	-	2,547,004

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

1.1 Basis of Preparation

These financial statements do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006.

These interim financial statements are for the six months ended 30 June 2009.

The statutory accounts for the financial year ended 31 December 2008 of Hanson Westhouse Holdings Plc (previously SovGEM Ltd) which were prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs) and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS have been delivered to the Registrar of Companies. The report of the auditors of SovGEM Ltd contained a qualified opinion arising from a limitation in audit scope and did not contain a statement under section 237 (2) or (3) of the Companies Act 1985. The report of the auditors of Hanson Westhouse Group Ltd did not contain a statement under section 237 (2) or (3) of the Companies Act 1985. Copies of the financial statements for 2008 are available from the Company's registered office at 3rd Floor, Windward House, La Route de la Liberation, St Helier, JE2 3BQ, Channel Islands or from the Company's website. The financial statements have been prepared in accordance with applicable International Financial Reporting Standards (IFRS) as adopted by the EU.

The interim financial information has been prepared in accordance with the Group's principal accounting policies and estimation techniques as will be adopted in the Group financial statements for the year ending 31 December 2009. These interim financial statements have been prepared on a consistent basis and format; however IAS 34 'Interim Financial Reporting' has not been applied, since this is not required for AIM listed companies.

The adoption of IAS 1 (Revised 2007) does not affect the financial position or profits of the Group, but gives rise to additional disclosures. The measurement and recognition of the Group's assets, liabilities, income and expenses is unchanged. IAS 1 (Revised 2007) affects the presentation of owner changes in equity and introduces a 'Statement of comprehensive income'. In accordance with the new standard the entity does not present a 'Statement of recognised income and expenses (SORIE)', as was presented in the 2008 consolidated financial statements. Further a 'Statement of changes in equity' is presented.

The preparation of financial statements in conformity with adopted IFRSs requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expense. The estimates and judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The consolidated financial statements for the financial year ended 31 December 2008 of Hanson Westhouse Group Ltd (then called Hanson Westhouse Holdings Ltd) that were delivered to the Registrar of Companies were prepared in accordance with United Kingdom Generally Accepted Accounting Practice. The comparative figures shown for the year ended 31 December 2008 shown in these financial statements are taken from the financial information prepared for the purposes of the admission document published on 20 May 2009 in connection with the share for share transaction described below.

They are prepared in accordance with the Company's accounting policies as set out in note 1.

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1.2 Consolidation

This consolidated financial information includes the accounts of the Company and its subsidiaries, after the elimination of inter-company transactions and balances.

On 15 June 2009 SovGEM Ltd became the legal parent company of Hanson Westhouse Group Limited in a share for share transaction. Due to the relative sizes of the companies, Hanson Westhouse Group Limited shareholders became the majority shareholders of the enlarged share capital. Furthermore, the Company's continuing operations and executive management became those of Hanson Westhouse Group Limited. Under IFRS3 this combination has been accounted for as a reverse acquisition. On the same day SovGEM Ltd changed its name to Hanson Westhouse Holdings plc.

In accordance with IFRS 3, the directors have treated the consolidated financial statements as being a continuation of Hanson Westhouse Group Limited. Accordingly the figures presented are those of Hanson Westhouse Group Limited for the year ended 31 December 2008 and six months ended 30 June 2008.

In a reverse acquisition, the cost of the business combination is deemed to have been incurred by the legal subsidiary (i.e. the acquirer for accounting purposes) in the form of equity instruments to the owners of the legal parent (i.e. the acquiree for accounting purposes). Because such consolidated financial statements represent a continuation of the financial statements of the legal subsidiary, the assets and liabilities of Hanson Westhouse Group Limited have been recognised and measured in the consolidated financial statements at their pre-combination carrying amounts. The retained earnings and other equity balances recognised in the consolidated financial statements are the retained earnings and other equity balances of Hanson Westhouse Group Limited immediately before the business combination. The amount recognised as issued equity instruments in the consolidated financial statements has been determined by adding to the issued equity of SovGEM Ltd immediately before the business combination the cost of the combination, being the market value of the shares of SovGEM Ltd.

Minority interests shown in the statement of changes in equity represent the portion of the Group's profit or loss and net assets that was not held by the parent company's equity shareholders and is presented on the consolidated balance sheet separately from the Company's shareholders' equity. There ceased to be a minority interest on 21 February 2008 when the outstanding shares were purchased by the Group.

1.3 Perpetual subordinated loan

The perpetual subordinated loan is classified as shareholders' equity and the interest payments are treated as distributions.

1.4 Segmental reporting

Business segments are distinguishable components of the Group's business that provide products or services that are subject to risks and rewards that are different from those of other business segments.

1.5 Goodwill

The goodwill arose from the acquisition of a business in 2007. Subsequently in the same period there was a reconstruction whereby a new holding company was established. This was treated as a continuation of the existing business.

Goodwill was reviewed for impairment on the basis of fair value less costs to sell determined by the board of the Company, based on external information where appropriate, using:

- The quoted market value for the Group's shares on AIM
- The price at which shareholders are willing to subscribe for shares in the Group
- The valuation placed on the Group by the recent reverse acquisition

Business combinations: gain on acquisition

Under IFRS 3, goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets. When the excess is negative (a gain on acquisition), it is recognised immediately in profit or loss. The gain on acquisition is recognised by the Group on the reverse acquisition by Hanson Westhouse Group Ltd of SovGEM Ltd as a gain in the income statement on acquisition.

1.6 Revenue

Revenue represents the fair value of the consideration received or receivable, excluding value added tax, in respect of corporate finance fees, fees, retainer fees and charges. The Group recognises revenue at the point of completing an assignment to the extent that it has obtained the right to consideration through performance of its services to clients. Where the consideration includes financial instruments or other non-cash items, revenue is measured at fair value using an appropriate valuation method and taken to turnover with a corresponding asset being carried forward in the balance sheet as current asset investments. Contingent revenue is not recognised until the contingent events have occurred and the Group has a legally enforceable right to claim that revenue.

Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable. Fee income is recognised as earned in line with the delivery of the relevant services.

Gains and losses are measured by reference to the fair value of consideration received or receivable by the Company for the sale of long term financial assets. Gains and losses are recognised upon completion of the transaction.

Gains and losses from the sale of long term financial assets are recognised when both of the following conditions have been satisfied:

- Sale documentation completed
- Title of the long term financial asset has been transferred to the purchaser

Dividends received are recognised at the time of their distribution.

1.7 Operating expenses

Operating expenses are recognised in the income statement upon utilisation of the service or at the date of their origin.

1.8 Foreign currency translation

Hanson Westhouse Holdings plc's financial statements are presented in Sterling, denoted by the symbol "£", which is the Company's functional and presentational currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary balance sheet items at year-end exchange rates are recognised in the income statement and are included in administrative expenses.

The Company holds financial assets held in foreign currencies that are re-measured at fair value at year end. At year end the fair value of these financial assets are translated into the functional currency using the appropriate closing exchange rate.

1.9 Accounting for long term financial assets

Financial assets are divided into the following categories:

- Available-for-sale financial assets
- Derivative financial instruments

Derivative financial instruments include warrants and convertible debt where the embedded derivative is not separable from the underlying instrument.

Derivative financial instruments are initially recognised at fair value and are subsequently carried at fair value. Gains and losses arising from the changes in the Derivative financial instruments are included in the income statement in the period in which they arise. Where investments have a separate embedded derivative, but it is not possible to measure the embedded derivative separately either at acquisition or at a subsequent financial reporting date, the Company shall designate the entire hybrid (combined) investment as a derivative financial instrument.

Available-for-sale financial assets are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Available-for-sale financial assets are initially recognised at fair value and are subsequently carried at fair value net of transaction costs. Gains and losses arising from the changes in the fair value of available for sale financial assets are recognised directly to the revaluation reserve through the statement of total recognised income and expense, until the financial asset is derecognised or impaired at which time the cumulative gain or loss previously recognised in equity is recognised in the income statement.

The fair values of quoted investments in active markets are based on current mid prices. If the market for a financial asset is not active (and for unlisted securities) fair values are established by using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis and available financial information.

The principal area of critical judgement is establishing the fair value of the unquoted portfolio. However, in almost every unquoted investment that is held a transaction has occurred, or is proceeding that provides an independent assessment of fair value. Where this is not possible the Company uses the Directors' valuation, based on recent market information.

1.10 Impairments

Available-for-sale assets are reviewed for impairment by reference to current market prices and the latest financial information. In the case of impairment of available-for-sale assets, any loss previously recognised in equity is transferred to the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. Impairment losses recognised previously on debt securities are reversed through the income statement when the increase can be related objectively to an event occurring after the impairment loss was recognised in the income statement.

An assessment for impairment is undertaken at least at each balance sheet date.

1.11 Income taxes

Although the Company is registered in Jersey it has been resident in the UK for tax purposes since June 16, 2009 and is no longer out with the scope of UK taxation.

1.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short term, highly liquid investments that are readily convertible into known amounts of cash which are subject to insignificant risk of change in value.

1.13 Share based payments

Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets).

All equity-settled share-based payments are ultimately recognised as an expense in the income statement with a corresponding credit to "other reserves".

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are revised subsequently if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options that have vested are not exercised.

Upon exercise of share options, the proceeds received net of attributable transaction costs are credited to share capital, and, where appropriate, share premium.

Retained earnings include all current and prior period results as disclosed in the income statement.

1.14 Financial liabilities

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the group becomes a party to the contractual provisions of the instrument. Financial liabilities are recorded initially at fair value, net of direct issue costs.

Financial liabilities are recorded at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance cost in the income statement. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are charged to the income statement on an accruals basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires.

1.15 Trade receivables

Trade receivables are initially measured at fair value and subsequent to initial recognition at amortised cost using the effective interest method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in the income statement.

Provision against trade receivables is made when there is objective evidence that the group will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

1.16 Reserves

The company has the following reserves:

- Share capital
- Reserve in respect of share options

- Share premium account
- Revaluation reserve
- Reverse acquisition reserve
- Retained earnings.

Share capital is determined using the nominal value of shares that have been issued.

Equity settled share-based employee remuneration is also credited to reserves in respect of share options until the related stock options are exercised.

The Share premium account hold the excess amount over the nominal value of shares issued and price paid for shares, net of listing expenses.

Revaluation reserve includes gains and losses due to the revaluation of certain financial assets.

The Reverse acquisition reserve arises as a result of the method of accounting for the acquisition of Hanson Westhouse Group Ltd by the Company on June 15, 2009. As a result of applying reverse acquisition accounting, the consolidated IFRS financial information of Hanson Westhouse Holdings plc (the company previously called SovGEM Ltd) is a continuation of the financial information of Hanson Westhouse Group Ltd and its subsidiaries. The reserves shown as at 1 January 2009 are those for Hanson Westhouse Group Ltd and its subsidiaries and a reverse acquisition reserve has been created.

Retained earnings include all current and prior period results as disclosed in the income statement.

1.17 Areas of critical judgement

Valuation of unquoted investments

The principal area of critical judgement is establishing the fair value of the unquoted portfolio. However, in almost every unquoted investment that is held a transaction has occurred, or is proceeding, that provides an independent assessment of fair value. Where this is not possible the Company uses the Directors' valuation, which is based on recent market information.

Impairments

Available-for-sale assets are reviewed for impairment by reference to current market prices and the latest financial information. The Directors monitor the Company's portfolio on a daily basis. If a financial asset falls significantly in value the Directors will review the available financial information on the financial assets in order to determine whether the asset is impaired.

An assessment for impairment is undertaken at least at each balance sheet date.

Designation of financial assets as fair value through profit or loss

The Directors will consider whether the embedded derivative in a financial instrument can be separately valued. Where the Directors are unable to separately value the embedded derivative, the financial assets will be designated at fair value through profit or loss. All warrants that are held by the Company are held for trade at fair value through profit or loss.

2. Earnings per share

The basic earnings per share is based on the profit attributable to ordinary shareholders divided by the weighted average number of shares issued during the period.

	Six months to 30 June 2009 £	Six months to 30 June 2008 £	Year ended 31 December 2008 £
Net result for the period	510,130	51,598	(613,103)
Weighted average number of ordinary shares			
Issued ordinary shares at beginning of year	10,030,625	1,000,020	1,000,020
Effect of shares issued during the period	119,048	-	4,637
Basic weighted average number of shares	10,149,673	1,000,020	1,004,657
Diluted weighted average number of shares	10,149,673	1,000,020	1,004,657
Effect of options	-	-	-
Basic earnings per share	0.05 p	0.05 p	(0.61) p
Diluted earnings per share	0.05 p	0.05 p	(0.61) p

3 INVESTMENTS

3.1 Available for sale financial assets

	30 June 2009 £	30 June 2008 £	31 December 2008 £
Listed equity securities	2,964,348	689,683	343,445
Unlisted financial assets	725,451	141,510	172,020
	<u>3,689,799</u>	<u>831,193</u>	<u>515,465</u>

The listed financial assets have been stated at fair value. Fair value is determined by valuing the financial assets at the appropriate closing mid price on 30 June 2009.

The unlisted financial assets have been stated at fair value. Fair value is determined by using recent arms length transactions and valuation models where a recent arms length transaction does not exist. Where this is not possible the Company uses the Directors' valuation.

All the listed equity securities have been issued by publicly traded companies.

3.2 Financial assets at fair value through profit and loss

	30 June 2009 £	30 June 2008 £	31 December 2008 £
Convertible debt	366,010	-	-
Stock warrants and options	182,747	158,990	86,868
	<u>548,757</u>	<u>158,990</u>	<u>86,868</u>

Convertible debt has been designated at fair value through profit or loss where it has not been possible to separately value the embedded derivative. The financial instrument has been included at its fair value.

Stock warrants and options are held for trade and have been valued using an appropriate option pricing model at the time of acquisition and as at 30 June 2009.

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4. Segmental reporting

	30 June 2009 £	30 June 2008 £	31 December 2008 £
Revenue			
Equity based commissions	866,026	1,847,003	2,547,538
Corporate finance	624,808	916,456	1,930,922
Total revenue	<u>1,490,834</u>	<u>2,763,459</u>	<u>4,478,460</u>

Revenue is wholly attributable to the principal activity of the Group and arises solely within the UK.

5. Share capital

	30 June 2009 Number	30 June 2009 £	30 June 2008 Number	30 June 2008 £	31 December 2008 Number	31 December 2008 £
At start of the period	1,086,020	108,602	1,000,020	100,002	1,000,020	100,002
Issued prior to share for share exchange	4,555,000	227	-	-	-	-
Share for share exchange relating to reverse acquisition	(1,086,020)	(108,602)	-	-	-	-
Issued in the period	6,904,196	345	-	-	86,000	8,600
At end of the period	11,459,196	572	1,000,020	100,002	1,086,020	108,602

6 Related party transactions

The Perpetual Subordinated Loan was made to the Company by The Hon Robert Hanson.

7 Availability of Interim Report

The Company's Interim Report will be available for one month from the Company's registered office at 3rd Floor Windward House La Route de la Liberation St Helier Jersey JE2 3BQ Channel Islands and also pursuant to Rule 26 of the AIM Rules for Companies on the investor relations section of the Company's website: www.hansonwesthouse.com